

## Message Text

CONFIDENTIAL

PAGE 01 BEIRUT 03694 050650Z  
ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 EB-08 FRB-03 INR-10  
NSAE-00 ICA-11 TRSE-00 XMB-02 OPIC-03 SP-02  
LAB-04 SIL-01 OMB-01 PA-01 /062 W  
-----018625 050653Z /20

R 040729Z JUL 78  
FM AMEMBASSY BEIRUT  
TO SECSTATE WASHDC 8537  
INFO AMEMBASSY AMMAN  
AMEMBASSY DAMASCUS  
AMEMBASSY TEL AVIV  
USDOC WASHDC

C O N F I D E N T I A L BEIRUT 3694

E.O. 11652: GDS  
TAGS: EIND, LE  
SUBJ: CEMENT PLANTS REMAIN IDLE

REF: BEIRUT 3333

1. REFTTEL GAVE BACKGROUND TO CLOSURE IN EARLY JUNE OF SHEKKA CEMENT PLANTS. PLANTS REMAIN SHUT DESPITE ANNOUNCEMENT JUNE 26 THAT LEBANESE POLICE AND ARAB DETERRENT FORCES (ADF) WOULD SECURE AREA, ALLOWING PLANTS TO REOPEN. MIN-INDUSTRY MICHEL DOUMIT, OWNER OF SHEKKA'S LARGEST CEMENT PLANT, IN RECENT CONVERSATION WITH AMBASSADOR REFLECTED GLOOMY PROSPECTS FOR SHEKKA'S INDUSTRIES. INDUSTRIALISTS' ASSOCIATION CHAIRMAN FUAD ABI SALEH, SPEAKING TO ECONOFF, FORECAST PLANTS WOULD REMAIN CLOSED THROUGH JULY.

2. IMPASSE: ACCORDING TO ABI SALEH, CEMENT WORKERS ARE MAINLY PHALANGISTS WITH CLOSE TIES TO BATROUN AND KUBBA, NOT TO ZGHARTA. WORKERS BELIEVE THAT SYRIAN ADF TROOPS SUPPORT THE FRANJIYAHS AND ARE THEREFORE UNQUALIFIED TO PROTECT THEM IN THE PLANTS. THEY AND PHALANGE WANT  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BEIRUT 03694 050650Z

LEBANESE ARMY (LAF) UNITS TO GO NORTH TO PROTECT THEM, WHILE SYRIANS (AND REPORTEDLY FRANJIYAH) INSIST THAT ADF CONTROL SHEKKA. WORK STOPPAGE THEREFORE CONTINUES.

3. ABI SALEH'S REMARKS HIGHLIGHT IMPORTANCE OF LINE THAT DIVIDES ADF FROM LAF/PHALANGE OPERATIONAL AREAS. WHILE ADF IS RESPONSIBLE FOR OVERALL SECURITY IN LEBANON, A RECENT

GOL-SYRIAN ADF SECURITY ARRANGEMENT HAS GIVEN THE ADF RESPONSIBILITY FOR THE AREA NORTH OF THE MADFOUN BRIDGE (JBAYL-BATROUN DISTRICT LINE APPROXIMATELY 5 KILOMETERS SOUTH OF BATROUN VILLAGE). THE AREA SOUTH OF THE MADFOUN BRIDGE IS THE SECURITY RESPONSIBILITY OF THE LAF. THE AREA BETWEEN MADFOUN AND SHEKKA CONTAINS A NUMBER OF IMPORTANT PHALANGE FACILITIES (VILLAGE OF KFAR AL-BAYADAH AND BATROUN, HAMAT AIRFIELD) AS WELL AS THE UNFINISHED SINNO-JABBOUR PORT AND THE DISPUTED CEMENT FACTORY. THESE ASSETS WILL LIKELY BE A SOURCE OF CONTENTION BETWEEN THE PHALANGE AND FRANJIYAH FORCES, INVOLVING ALSO THE SYRIAN ADF, BECAUSE IT IS UNLIKELY THAT THE PHALANGISTS WILL READILY GIVE UP THEIR CONTROL. DATT SOURCES REPORT THAT ANY MILITARY CONFRONTATION IN THE NORTH WILL PROBABLY OCCUR IN THE SHEKKA-BATROUN SECTOR AND EXTEND INLAND TO IHDIN AND BSHARRI.

3. ECONOMIC REPERCUSSIONS: LOSS OF CEMENT PRODUCTION FOR JUNE REQUIRES DOWNWARD REVISION OF OUR ESTIMATES FOR LEBANESE ECONOMIC PERFORMANCE FOR FIRST HALF OF 1978. TRADE DATA FROM BEIRUT CHAMBER OF COMMERCE SHOW THAT CEMENT PROVIDED 24 PERCENT OF LEBANON'S TOTAL EXPORTS DURING JANUARY-APRIL 1978. CEMENT MORE THAN ANY OTHER MAJOR EXPORT COMMODITY IS VULNERABLE TO SECURITY CONDITIONS AFFECTING HIGHWAY TRANSPORT. MONTHLY CEMENT EXPORTS DECLINED FROM LL 64 MILLION IN JANUARY TO LL 22 MILLION IN APRIL AND LL 2

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BEIRUT 03694 050650Z

MILLION IN MAY. PRODUCTION CEASED IN JUNE. CEMENT IS THE MAIN REASON THAT LEBANON'S OVERALL EXPORTS DROPPED FROM LL 263 MILLION IN JANUARY TO LL 183 MILLION IN MAY, RENDERING MAY THE FIRST MONTH OF 1978 IN WHICH TOTAL EXPORTS FELL BELOW COMPARABLE 1977 LEVELS. WHILE LEBANON DOES NOT DEPEND ON ITS TRADE ACCOUNT TO SURVIVE, IT IS NO SIGN OF ECONOMIC HEALTH THAT EXPORT EARNINGS FOR THE FIRST HALF OF 1978 WILL BE ABOUT 17 PERCENT LOWER THAN IN THE SECOND HALF OF 1977.

PARKER

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CEMENT, INDUSTRIAL PLANTS, CLOSURE OF OFFICES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 04 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978BEIRUT03694  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780275-0607  
**Format:** TEL  
**From:** BEIRUT  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780798/aaaadeki.tel  
**Line Count:** 104  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 3ebf7c7b-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION NEA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 BEIRUT 3333  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 13 jul 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2122762  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CEMENT PLANTS REMAIN IDLE  
**TAGS:** EIND, LE  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/3ebf7c7b-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014